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ROBERT M. C. ROSE
OF COUNSEL

September 22, 1999

VIA HAND DELIVERY

Ms. Denise Vandiver
Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Water Oak Utilities Co., Inc.
Proposed Request for Rate Restructuring
Our File No. 33013.01

Dear Ms. Vandiver:

Just this Monday, September 20, 1999, it came to my attention from my review of the Commission's internet site that the staff of the Commission had not only completed their audit of Water Oak Utilities Company, Inc., but had issued an Audit Report approximately four weeks ago. I obtained a copy of the Audit Report yesterday which proposes substantial adjustments to the Utility's rate base investment and operating expenses and revenues. I have also been told by the Utility's consultants who have been involved in the filing of the Application in the above-referenced docket, that neither of them were made aware of the existence of the audit by direct mail from the Commission and they too were shocked to see that such an Audit Report had been issued approximately one month ago.

I note that you did send the Audit Report to a Mr. Brian Fannon in Farmington Hills, Michigan. However, Mr. Fannon has not been at all involved in the processing of the above-referenced Application, nor have I ever had any contact with him. As such, even if Mr. Fannon did receive the Audit Report four weeks ago, he probably would not have known what it was for or what to do with it. I note from your letter that you saw fit to inform your own legal counsel, your technical staff and even the Office of Public Counsel who is not even a party to this proceeding, but failed to inform me, the Utility's attorney of record, who filed the Application in this case. I do not understand this oversight.

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Ms. Denise Vandiver
September 22, 1999
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Because of this failure to inform the Utility even of the existence of the Audit Report, it will take us at least three additional weeks in which to provide any necessary response.

This is not the first time I have had this problem with notification of an audit, or an Audit Report not being sent to me as the attorney of record. I am very concerned that there are apparently procedures in place in your department that would allow this to happen. As I requested the last time this occurred, in the future, I request that any such correspondence directed to the Utility be sent through me on any matter in which I am the attorney of record. This is the normal and only courteous procedure. Especially with regard to small Utility Companies, it is absolutely essential for the orderly processing of our Application and to ensure that those who need to receive such vital correspondence do so.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tmg

Enclosure

cc: Deputy Executive Director (Mary A. Bane)
Division of Records and Reporting
Division of Legal Services (Crossman, Vaccaro, Gervasi)
Auditing and Financial Analysis Division (Devlin)
Division of Water and Wastewater (Crouch, Edwards, Lingo, Rehwinkel, Rendell, Rieger)
Julian Coto, P.E.
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wateroak\vandiver.ltr